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## U.S. Bouse of Representatives

Contactites on Energy and Commerce

SUBCOMMITTEE ON TELECOMMUNICATIONS AND FINANCE

**Mashington**, **DC** 20515-6119 March 22, 1993

DAVID H MOULTON

CHIEF COURISEL AND STAFF DIRECTOR

RECEIVED

The Honorable James H. Quello Acting Chairman Federal Communications Commission 1919 M Street, N.W. Washington, DC 20554

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FEDERAL COMMUNICATIONS COMMISSION OFFICE OF THE SECRETARY

Dear Chairman Quello:

I continue to be concerned by the actions of some cable companies in the weeks leading up to the issuance of FCC regulations to implement the Cable Television Consumer Protection and Competition Act of 1992. I would like to reiterate my concerns regarding two very important provisions of the law.

The two principal objectives of Congress in passing the Cable Act were to increase competition in the video marketplace and to control cable rates for consumers in the absence of effective competition.

Access to programming is one of the principal provisions in the Cable Act designed to increase competition to local cable monopolies. As you are aware, the provision prohibits vertically integrated cable programming services from discriminating among multichannel video providers in price, terms, and conditions in the sale and delivery of programing. The burden in proving that price differences are not discriminatory lies with the vertically integrated program provider who must demonstrate that differences in price meet one of four specific exemptions in the law. I am very concerned that any misinterpretation of Congressional intent with regard to these measures could delay or impede increased consumer choice among comeptitive providers.

It was the clear intent of Congress to ensure reasonable cable rates, even in tiers above the basic tier. In instances where cable companies retier programming services on basic or extended basic tiers, Congress intended that consumers of all tiers be protected from unreasonable rates and rate increases. As I stated during floor consideration of the veto override, "In those communities where the monopolies have raised rates through the roof, the Cable Bill will actually roll back rates to reasonable levels by directing the PCC to seek levels comparable with those existing in communities where cable does face competition. " It would be unacceptable if the regulations promulgated by the FCC did not faithfully fulfill the mandate of the Cable Act to reduce cable rates for consumers.

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The legislative history lays out the intent of Congress with regard to these fundamental provisions. The Subcommittee will closely review the regulations promulgated by the FCC to ensure that such regulations are consistent with Congressional intent.

I look forward to working with you and your colleagues on the Commission on these important issues, and I thank you for your attention to my concerns.

Sincerely,

Edward J. Markey

Chairman